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March 21, 2014

RECEIVED

MAR 24 2014

PUBLIC SERVICE
COMMISSION

VIA OVERNIGHT DELIVERY

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

**RE: Application of Duke Energy Kentucky, Inc. for Approval of a New Green Power Pilot Program (Duke Energy's GoGreen Kentucky)
Case No. 2009-00408**

Dear Mr. Derouen:

Pursuant to the Commission's February 5, 2010 Order, enclosed please find *Duke Energy Kentucky, Inc.'s GoGreen Power and Carbon Offset Annual Informational Filing* for the Calendar Year 2013.

Please date-stamp the extra two copies and return to me in the enclosed, self-addressed envelope.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,

E. Minna Rolfes-Adkins
Paralegal to Rocco D'Ascenzo

ERA
Enclosures

cc: Larry Cook (w/enclosures)

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COMMONWEALTH OF KENTUCKY

MAR 24 2014

**BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION PUBLIC SERVICE
COMMISSION**

**DUKE ENERGY KENTUCKY, INC
GOGREEN POWER AND CARBON OFFSET
ANNUAL INFORMATIONAL FILING
CALENDAR YEAR 2013**

I. Introduction

On February 5, 2010, the Kentucky Public Service Commission (Commission) issued its Order in Case No. 2009-00408 approving the Application of Duke Energy Kentucky, Inc., (Duke Energy Kentucky) to implement a new Green Power Pilot Program, GoGreen Kentucky. GoGreen Kentucky is a voluntary program that enables customers to manage their own carbon footprints by being able to designate a monthly kilowatt-hour (kWh) purchase level for green power and/or carbon offsets. GoGreen Kentucky provides customers an opportunity to purchase 100 kWh blocks of green energy at \$2.00/ block, with a minimum of 2 blocks. Customers are also afforded an opportunity to purchase carbon offset blocks, representing a 500-pound reduction in CO₂ at a price of \$4.00 per block.

GoGreen Kentucky was approved as a pilot program approved for implementation through December 31, 2012 subject to several commitments. For example, Duke Energy Kentucky was required to seek Commission approval for any changes to the pricing and/or sizing of blocks of either the renewable energy credits (RECs) or carbon offsets.

On October 2, 2012, in Case No. 2012-00455, Duke Energy Kentucky filed its application to continue its GoGreen Kentucky Program as a permanent voluntary service offering to customers but with some program enhancements. On or about December 14, 2012, the Commission approved Duke Energy Kentucky's application, which reduced the price/block of green energy to \$1.00/block, permitted participation among non-residential customers, and discontinued the Carbon Offsets option in calendar year 2012.

As a further condition to approval, Duke Energy Kentucky committed to provide this Commission with an annual report relating to the GoGreen Kentucky program that

will provide at a minimum: 1) the number of program participants; 2) the total number of RECs and Carbon Offsets subscribed; 3) the expenditures for education and promotion of the program; 4) the expenditures for research (customer satisfaction and experience); 5) the actual costs of the RECs and Carbon Credits; and 6) the administrative costs.

In accordance with the Commission’s December 14, 2012 Order in Case No. 2012-00455, Duke Energy Kentucky respectfully submits its annual informational filing for the 2013 calendar year.

II. 2013 Annual Report

A. Go Green

1. Number of active GoGreen Residential customers by month:

2013	Total Customers
January	116
February	118
March	118
April	121
May	122
June	124
July	128
August	127
September	130
October	132
November	131
December	131

2. Number of Residential blocks of GoGreen RECs sold per month:

2013	Monthly Blocks	Total Cumulative Blocks
January	476	476

February	490	966
March	490	1456
April	499	1955
May	511	2466
June	517	2983
July	534	3517
August	529	4046
September	535	4581
October	542	5123
November	541	5664
December	541	6205

*Note: One Block = 100 kWh or one tenth of a REC.

3. GoGreen revenues billed: \$5,904
Note: Year end net revenues include arrears and cancellation adjustments.

4. REC expense:
 2013: REC Acquisition Cost of \$1.50 per REC for 500 Wind RECs

5. GoGreen Marketing Costs by major category:
 Campaign Promotion & Distribution Costs: \$7,284

- Bill inserts
- Duke Energy Kentucky Web Site Landing page banner ads
- Duke Energy Kentucky Online services promotional ads
- Duke Energy Kentucky website Green Power Educational video
- Electronic Quarterly Newsletters – for subscribers
- Customer Thank You letter - subscriber update twice a year
- Welcome kits and decals – for new subscribers

Administrative costs: Labor and call center costs: \$2,693

6. GoGreen Summary of program activities, results and observations:

In 2013, GoGreen Kentucky had 32 new residential enrollments, with a growth of 13% in total month end customers for the year. Revenues billed were \$5,904 which declined significantly for the year due to the rate reduction from \$2 to \$1 per block. While the REC support has remained consistent with subscribers, the 50% price reduction did not attract a significant number of new enrollments or an increase in blocks compared to the previous year.

Customers subscribing to the program received an update on the program via semi-annual Thank You letters in January and August. Current subscribers also received a quarterly e-newsletter that highlighted topics on renewable energy, shared program updates and gathered customer feedback.

New customers received welcome letter packets that included recognition badge decals. Duke Energy Kentucky's green power educational video was promoted via YouTube advertisements in the fall.

Throughout the year, Duke Energy Kentucky utilized effective low cost channels to direct customers to the Duke Energy GoGreen Kentucky Web page to learn more, view the video or subscribe. These channels included bill inserts, state landing page banner ads, and online services promotional ads. Campaign activity was focused in April for Earth month and in the Fall.

7. Description of contractual arrangements with large commercial and industrial Green Power:
There were no contractual arrangements with large customers in 2013.
8. Green Power generated and delivered as of December 31, 2013:
From January through December 31, 2013, approximately 620,500 kWh of Green Power was supported and delivered as a result of cumulative blocks purchased through RECs.
Since the Program began in 2010, 1,370 MWH have been supported.
9. Calculation of CO₂ offsets from blocks of Green Power as of Dec. 31, 2013:
Since the Program began in July 2010, the Company estimates the program has led to CO₂ offsets of 1,289 tons.
10. Suppliers of REC purchase: Regional Green-e certified wind RECs from Rail Splitter Wind Farm located in Hopedale, IL
11. Quantity of REC purchase: 500
12. Actual costs of GoGreen RECs for reporting period: \$1.50 per REC
13. Estimated sales in the future period, in kWh for Go Green:
2014 Estimates: 6,800 total blocks
14. Forecasted costs of RECs per kWh, including those in inventory:
REC cost: \$1.50

B. Carbon Offset Program

This program terminated in June 2013 pursuant to the new Order with Carbon Offset customers having the option to support GoGreen green power.

1. Number of active Residential Carbon Offset customers by month:

2013	Monthly Customers
January	5
February	5
March	5
April	5
May	2
June	2
July	0
August	0
September	0
October	0
November	0
December	0

2. Number of blocks of Residential Carbon Credits sold per month:

2013	Monthly Blocks	Total Cumulative Blocks
January	11	11
February	11	22
March	11	33
April	11	44
May	3	47
June	3	50
July	0	50
August	0	50
September	0	50
October	0	50
November	0	50
December	0	50

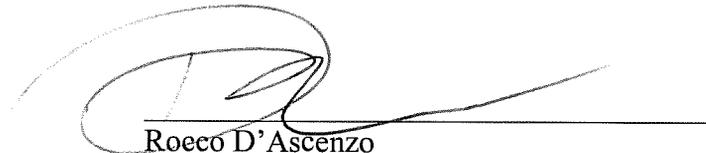
*Note: One Block = 500 lbs of carbon

3. Carbon Offset contributions billed for 2013: \$200
4. Marketing Costs (education and promotion) by major category
 Microsite maintenance & hosting: \$368
 Administrative costs: Labor and call center costs: \$528

5. Summary of Carbon Offset program activities, results and observations:
Duke Energy Kentucky maintained and supported the Carbon Offsets program with low cost online channels until the closing of the Program in June 2013 due to low participation.
*From January to December 31, 2013, we estimate enrollments led to CO₂ offsets of 25,000 lbs of Carbon or 12.5 tons.
6. Description of contractual arrangements with large commercial and industrial Green Power and Carbon Credit customers:
There were no contractual arrangements with large customers in 2013.
7. Carbon offset project location: Midwest region landfill gas.
8. Suppliers of Carbon Credits purchase: Element Markets LLC, Houston Texas. No new inventory was required in 2013.
9. Quantity of Carbon Credits purchase: N/A
10. Estimated sales in the future period, pounds of carbon: N/A
11. Forecasted costs of Carbon Offsets per 500 pound carbon offset block:
N/A

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.



Rocco D'Ascenzo
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Amy B. Spiller
Deputy General Counsel
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that copies of the GoGreen Rider Annual Informational Filing was delivered or mailed, postage prepaid, in the United States Mail, this 21st day of March 2014, to the following:

Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602-0615

A handwritten signature in black ink, appearing to read 'Rocco D'Ascenzo', written over a horizontal line.

Rocco D'Ascenzo